



Ten Steps:

A Guide to Starting your Business
in Sonoma County

Ten Steps: A Guide to Starting your Business In Sonoma County

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Note: Every attempt has been made to provide accurate and up-to-date information in this guide. Additionally, the Economic Development Board reviews the contents of this guide quarterly to maintain this assurance. If you discover any inaccuracies or broken web links, please contact us and let us know!



Call our Free, Confidential Business Assistance Hotline:
707-565-7589

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Initial Research and Information

Starting a business carries risks. As an entrepreneur, you can diminish these risks by performing some due diligence as part of the initial planning stages. In Sonoma County, there are plenty of resources available to guide entrepreneurs through these stages.

The **Sonoma County Economic Development Board (EDB)** provides a business assistance guide, demographic information, industry reports, city reports and regional outlooks to the public. Additionally, the EDB provides:

- Access to *free* market research, industry trend and site selection tools that allow entrepreneurs to receive customized assistance as they research the market for their product or service.
- **A Business Assistance Hotline** that offers one-on-one, *free* and *confidential* guidance with business licensing and regulatory requirements, identification of financing resources, finding qualified employees, and much more. Call **707-565-7589** for more information.

The EDB can also be reached at: **707-565-7170** or **www.SonomaEDB.org**

The **United States Small Business Administration (SBA)** has a comprehensive online resource guide for entrepreneurs. The website offers assistance with local resources and mentoring, government contracting, and loans and grants available to small businesses. The San Francisco District office can be reached at: 415-744-6820 or **www.sba.gov**

In addition to the above resources, local chambers of commerce can provide additional assistance that can be of particular use for a business owner looking to locate in a specific city or region. The Economic Development Board maintains a comprehensive list of these local chambers at: **www.SonomaEDB.org** under “Business Assistance Guide”

Finally, at every stage of business formation and growth, it can be helpful to consult local resources that offer business counseling and informative workshops. Both the **Small Business Development Center (SBDC)** and **North Coast SCORE** offer assistance with business planning, marketing, and operating challenges. They can be reached at:

Santa Rosa SBDC: 707-595-0060 or **<http://santarosasbdc.org>**

SCORE : 707-571-8342 or **<http://northcoast.score.org/>**

2 Developing your Business Plan

Your business plan communicates what your business does, your vision for the future, and the steps you will take to reach those objectives. Generally, the business plan should include:

1. An executive summary
2. A marketing plan
3. An operations plan
4. The proposed organizational structure
5. A profit and loss projection

The Service Corps of Retired Executives (SCORE) offers an online business plan template that includes advice and tips for success. The plan, along with many helpful templates may be found at: www.score.org

Your developed business plan should also include the following:

1. The legal structure of your business

You have probably heard the terms **Sole proprietorship, General Partnership, Limited partnership, and Type C or S Corporation**. The determination to form a company under a particular structure has much to do with the business activity, location, and organization.

Information about each structure can be found at the California Secretary of State website: www.sos.ca.gov.

Since the legal structure of the business will dictate many of the entity's operational functions, and tax liability, entrepreneurs are encouraged to seek legal advice when considering these choices. More information can be found at: www.Business.USA.gov.

2. The business name

Any business must register its name with the California Secretary of State's office. Information on searching name availability and filing requirements can be found on the Secretary of State website.

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Financing your Business

Once you have developed a business plan, many resources exist for small business financing. Here are a few considerations for entrepreneurs seeking financing:

1. Project Costs

- Your “project” includes everything needed to open for business. Building, leasing costs, inventory, equipment, vehicles, marketing, etc. These details should be outlined in the business plan.

2. Collateral

- Do you have cash or other assets that you will be investing in your business? Generally speaking, lenders like to see some “owner-participation” with regards to financing. This demonstrates a commitment to the business and its success.

What does this mean? Simply put, equity in the neighborhood of 20 – 30% is generally requested by lenders. If total project costs are equal to \$150,000, then an owner should expect to contribute around \$30,000-\$45,000 in cash and/or assets.

3. Pre-application

- Lenders often cite that applications are denied simply because they are not complete, or the prospective borrower did not fully understand application requirements. Several local resources exist that assist entrepreneurs in obtaining financing, including:

The Small Business Development Center (SBDC)
<http://santarosasbdc.org/>

SCORE
<http://northcoast.score.org/>

Once you are ready to pursue financing, a comprehensive list is available at www.SonomaEDB.com under **Business Resources: Financing** For more information, call the Business Assistance Hotline at **707-565-7589**.

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Local Licensing Requirements

While the County of Sonoma has no business licensing requirements for the unincorporated areas of the county, each city in which a business will conduct activity requires a license and/or a business tax certificate. During this application process, entrepreneurs should inquire about any further required licenses, permits or endorsements.

Contacts for each of the nine incorporated cities are below:

Cloverdale	707-894-2521	www.ca-cloverdale.civicplus.com
Cotati	707-792-4600	www.ci.cotati.ca.us
Healdsburg	707-431-3300	www.ci.healdsburg.ca.us
Petaluma	707-778-4549	www.cityofpetaluma.net/finance/bustax.html
Rohnert Park	707-585-6725	www.ci.rohnert-park.ca.us
Santa Rosa	707-543-3170	www.ci.santa-rosa.ca.us
Sebastopol	707-823-1153	www.ci.sebastopol.ca.us
Sonoma	707-933-2237	www.sonomacity.org
Windsor	707-838-5358	www.ci.windsor.ca.us

If your new venture will conduct business under a name that does not contain the surname of any and all owners, you will need to file a **Fictitious Business Name Statement** with the County of Sonoma Clerk-Recorder-Assessor's Office. This application must be filed within 40 days of business start date. The Clerk's Office can be reached at:

2300 County Center Drive, B-177
Santa Rosa, CA 95403
707-565-3800
www.sonoma-county.org/clerk

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Registering your Business

This should be done after you determine the most appropriate operating structure for your business, and have determined its name. All documentation must be approved by the State of California before the business can become a legally-recognized entity.

Registration requirement and forms may be found at the California Secretary of State website: **www.sos.ca.gov**

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State Licensing Requirements

If your new business involves providing a service or specialized product, there is a chance that the State of California will require you to carry some form of occupational or professional licensing. Online licensing is available for a variety of activities and professions through **www.ca.gov/work/licenses.html**.

Additionally, CalGOLD offers a wealth of information on licensing and permitting requirements, including contact information, sorted by business type, industry, and location at: **www.calgold.ca.gov**.

If your business will offer products for sale, it is likely that the State will require a seller's permit and special taxing considerations. Both can be applied for online. For more information about licensing and permits, including seller's permits and use tax information, contact the California State Board of Equalization at:

Santa Rosa Field Office
50 D. St. Room 230
Santa Rosa, CA 95404
800-400-7115 or www.boe.ca.gov

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Obtaining Necessary Permits

Sonoma County is comprised of nine incorporated cities, and the unincorporated area governed by the County of Sonoma. Each jurisdiction is charged with regulating permits and ensuring compliance within its own boundaries. Various state agencies also regulate air quality, water quality, food safety, employee safety, energy efficiency, and the like.

Once you have a business location in mind, check with the local permitting and zoning authority to ensure your business use complies with regulations, and to determine the necessary steps involved in establishing the business location. Contacts for each of the planning, health, and development agencies in Sonoma County are below:

County of Sonoma (PRMD)	707-565-1925	www.sonoma-county.org/prmd/index.htm
Cloverdale	707-894-1701	www.ca-cloverdale.civicplus.com
Cotati	707-665-3637	www.ci.cotati.ca.us
Healdsburg	707-431-3300	www.ci.healdsburg.ca.us
Petaluma	707-778-4301	www.cityofpetaluma.net/cdd/index.html
Rohnert Park	707-588-2226	www.ci.rohnert-park.ca.us
Santa Rosa	707-543-3200	www.ci.santa-rosa.ca.us
Sebastopol	707-823-6167	www.ci.sebastopol.ca.us
Sonoma	707-938-3681	www.sonomacity.org
Windsor	707-838-1021	www.ci.windsor.ca.us

For businesses that will offer any type of food or beverage service or product, it will be necessary to contact Sonoma County Health Services to determine any additional requirements.

County of Sonoma (Health Services)	707-565-4400	www.sonoma-county.org/health
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Additionally, **CalGOLD** offers more information on specific health, fire, and safety permitting requirements, including contact information, sorted by business type, industry, and location at: www.calgold.ca.gov.

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Tax Requirements

Businesses are likely to be subject to federal, state and local taxes. Entrepreneurs are strongly advised to consult with a tax professional as they consider business activity, organizational structure and location. For reference, federal and state taxing agencies are described below.

Internal Revenue Service

All for-profit ventures are subject to federal income taxes. Further federal tax information can be found by contacting the IRS at:

777 Sonoma Ave.
Santa Rosa, CA 95404
707-523-0924 or **www.irs.gov/Businesses**

California State Franchise Tax Board

Businesses in California are subject to various taxes based upon activity, size, and employment, among other factors. The following websites can provide information on California Business Tax requirements, forms, filing dates and other important information:

The California Tax Center: **www.taxes.ca.gov/index.shtml**

The California Franchise Tax Board: **www.ftb.ca.gov/businesses/index**

The California State Board of Equalization (BOE)

The BOE monitors special taxation items such as fuel, alcohol, and tobacco, as well as the collection of California State sales tax and use taxes. More information may be found at: **www.boe.ca.gov** or by calling **800-400-7115**

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Employer Responsibility

If you plan on hiring employees, there are additional local, state, and federal regulations. Below are some additional online resources that outline these regulations.

- An inventory of the most commonly requested information on applicable labor regulations is available at **www.SonomaEDB.org** under “**Business Resources: Regulatory Guide**”
- The State of California maintains a comprehensive list of state-level requirements for businesses with employees at:
business.ca.gov/StartaBusiness/AdministeringEmployees.aspx
- Employer information and publications may also be found on the Internal Revenue Service website at:
www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Businesses-with-Employees
- Locally, Sonoma County Job Link offers a Business Representative who acts as a liaison to the business community. In addition to connection job seekers with employers, the Business Representative can answer questions relating to the regulation of businesses with employees.

Sonoma County job Link
2227 Capricorn Way
Santa Rosa, CA 95407
707-565-5620 or www.joblinksonomacounty.com

10 Seeking Technical Assistance

The Sonoma County Economic Development Board (EDB)

The EDB's Business Assistance Team offers the following types of assistance at ***no cost***:

- Market research tools to identify growth potential
- Assistance in navigating the permit process
- Site selection assistance
- Customized demographic information to help businesses identify potential customers
- A database of local economic research

Additionally, the EDB connects businesses with access to capital, workforce development resources, and energy saving opportunities through the Sonoma County Energy Independence Program. Contact the EDB's Business Assistance Hotline at: **707-565-7589** or visit **www.SonomaEDB.org**.

The Small Business Development Center (SBDC)

Local SBDCs are funded by the U.S. Small Business Administration, and offer extensive *no and low-cost* one-on-one business counseling, training and specialized services. This can include help with the preparation of business plans, loan applications, and contract assistance.

Additionally, the SBDC can offer assistance with marketing strategies, financial projections, venture funding, and operating challenges. The Santa Rosa SBDC also offers many popular online and in-person courses, workshops and seminars. Website: **<http://santarosasbdc.org>**

The Service Corps of Retired Executives (SCORE)

SCORE offers free and confidential business mentoring in person or by telephone or email. The organization also offers local and online workshops, and maintains a sizeable inventory of commonly-used business templates and tools on its website.

SCORE mentors assist entrepreneurs at all stages of business development with resources and tools to help grow their businesses. Locally, SCORE may be reached at: **707-571-8342** or **www.northcoast.score.org**